

SPANISH DANCE ARTS CO., INC.



FLAMENCO VIVO CARLOTA SANTANA

Financial Statements
and
Supplementary Information
(Together with Independent Auditors' Report)

Years Ended June 30, 2016 and 2015

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

SPANISH DANCE ARTS CO., INC.

Financial Statements and Supplementary Information

Years Ended June 30, 2016 and 2015

(Together with Independent Auditors' Report)

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Spanish Dance Arts Co., Inc.
New York, NY

We have audited the accompanying financial statements of Spanish Dance Arts, Co., Inc. (a nonprofit organization) which comprise the statements of financial position as of June 30, 2016 and 2015 and the related statements of activities and changes in net assets and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Spanish Dance Arts Co., Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been

subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mark Paneth CP

New York, NY
December 09, 2016

SPANISH DANCE ARTS CO., INC.

STATEMENTS OF FINANCIAL POSITION

| | June 30, | |
|---|-------------------|------------------|
| | <u>2016</u> | <u>2015</u> |
| ASSETS: | | |
| Cash and cash equivalents | \$ 12,149 | \$ 8,633 |
| Grants and other receivables | 80,671 | 52,285 |
| Inventory | 7,145 | 6,986 |
| Security deposits | 6,554 | 6,554 |
| Prepaid expenses | 10,119 | 9,570 |
| Property and equipment (net) | 201 | 885 |
| TOTAL ASSETS | <u>\$ 116,839</u> | <u>\$ 84,913</u> |
| | | |
| LIABILITIES: | | |
| Accounts payable | \$ 1,142 | \$ 24,762 |
| Line of credit | 50,000 | - |
| Deferred income | - | 136 |
| TOTAL LIABILITIES | 51,142 | 24,898 |
| | | |
| COMMITMENT AND CONTINGENCIES | | |
| | | |
| NET ASSETS | | |
| Unrestricted | 62,697 | 57,015 |
| Temporarily restricted | 3,000 | 3,000 |
| TOTAL NET ASSETS | 65,697 | 60,015 |
| | | |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 116,839</u> | <u>\$ 84,913</u> |

The accompanying notes are an integral part of these financial statements.

SPANISH DANCE ARTS CO., INC.

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

| | Year ended June 30, | |
|---|---------------------|-----------|
| | 2016 | 2015 |
| CHANGES IN UNRESTRICTED NET ASSETS: | | |
| REVENUE | | |
| Contributions: | | |
| Foundations | \$ 65,132 | \$ 79,887 |
| Corporations | 5,400 | 5,000 |
| Individuals | 47,244 | 48,573 |
| Total Contributions | 117,776 | 133,460 |
| Admissions, education and performance fees | 615,106 | 558,812 |
| Government grants | 152,875 | 132,375 |
| Miscellaneous income | - | 447 |
| | 767,981 | 691,634 |
| NET ASSETS RELEASED FROM RESTRICTIONS | 3,000 | 7,000 |
| TOTAL UNRESTRICTED REVENUES AND OTHER SUPPORT | 888,757 | 832,094 |
| EXPENSES: | | |
| Program | 706,407 | 664,859 |
| General and administrative | 118,820 | 105,664 |
| Fundraising | 54,848 | 50,342 |
| TOTAL EXPENSES | 880,075 | 820,865 |
| INCREASE IN UNRESTRICTED NET ASSETS | 8,682 | 11,229 |
| CHANGES IN TEMPORARILY RESTRICTED NET ASSETS | | |
| Contributions | - | 10,000 |
| Net assets released from restrictions | (3,000) | (7,000) |
| | (3,000) | 3,000 |
| INCREASE IN TEMPORARILY RESTRICTED NET ASSETS | 5,682 | 14,229 |
| NET ASSETS - BEGINNING OF YEAR | 60,015 | 45,786 |
| NET ASSETS - END OF YEAR | \$ 65,697 | \$ 60,015 |

The accompanying notes are an integral part of these financial statements.

SPANISH DANCE ARTS CO., INC.

STATEMENTS OF CASH FLOWS

| | June 30, | |
|--|------------------|-----------------|
| | <u>2016</u> | <u>2015</u> |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Increase in net assets | \$ 5,682 | \$ 14,229 |
| Adjustments to reconcile increase in net assets to net cash used in operating activities: | | |
| Depreciation | 685 | 686 |
| Changes in assets and liabilities: | | |
| Accounts receivable | (28,387) | (45,850) |
| Inventory | (159) | - |
| Prepaid expenses | (549) | (576) |
| Deferred income | (136) | 136 |
| Accounts payable | (23,620) | 16,469 |
| | <u>(46,484)</u> | <u>(14,906)</u> |
| Net cash provided by (used in) operating activities | | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds from line of credit | 50,000 | - |
| | <u>50,000</u> | <u>-</u> |
| Net cash provided by financing activities | | |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 3,516 | (14,906) |
| Cash and cash equivalents, beginning of year | 8,633 | 23,539 |
| Cash and cash equivalents, end of year | <u>\$ 12,149</u> | <u>\$ 8,633</u> |

The accompanying notes are an integral part of these financial statements.